

## Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 L-03 COME-00 EB-07 SS-15 SP-02 H-02

CIAE-00 INR-07 NSAE-00 /047 R

DRAFTED BY ARA/CAR - MR. STRASSER:LEE

APPROVED BY ARA - MR. HEAVNER

L/ARA - MR. KOZAK (SUBS)

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R 030003Z MAR 76

FM SECSTATE WASHDC

TO AMEMBASSY PORT AU PRINCE

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E.O. 11652: N/A

TAGS: EINV, HA

SUBJECT: TRANSLINEAR DISPUTE WITH GOH

REFS: (A) PORT AU PRINCE 1604; (B) PORT AU PRINCE 1626

1. DEPARTMENT OFFICER ON FEBRUARY 27 CALLED WILLIAM CROOK, TRANSLINEAR BOARD CHAIRMAN, TO COMMUNICATE SUBSTANCE OF REF A.

2. CONCERNING DEFECTS IN TRANSLINEAR'S CONTRACT, CROOK MAINTAINS COMPANY WENT THROUGH SIX MODIFIED CONTRACTS AND DEALT WITH EVERY GOH OBJECTION. HOWEVER, CONTRACT STILL WAS NOT APPROVED. HE SAYS UNDER SECRETARY OF COMMERCE AND INDUSTRY BAYARD DEMONSTRATED LITTLE KNOWLEDGE OF CONTENTS OF LAST TWO CONTRACT PROPOSALS. AS TO POINTS RAISED IN REF A, CROOK MAINTAINS THAT GOH DESIRE FOR MAJORITY CONTROL OF PORT AUTHORITY (PARA 3(A)) IS COMPLETELY NEW OBJECTION. HE DID STATE, HOWEVER, THAT SUCH AN ARRANGEMENT WOULD NULLIFY FREEPORT CONCEPT AND WOULD NOT BE ACCEPTABLE. HE ALSO SAID THAT TRANSLINEAR CONTRACT DID NOT DEPRIVE GOH CUSTOMS

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CONTROL OF AIRPORT, PARA 3 (B)).

3. CROOK STATED (PER REF B) THAT IN RESPONSE TO HIS JULY CABLE TO PRESIDENT DUVALIER, TRANSLINEAR RECEIVED A LETTER

FROM BAYARD, DATED OCTOBER 25 WHICH STRONGLY REBUKED TRANSLINEAR FOR APPEALING TO US SENATORS FOR SUPPORT IN DEALING WITH THE GOH. NEVERTHELESS, THE LETTER WENT ON TO INVITE THE COMPANY BACK TO HAITI FOR MEETINGS. CROOK CLAIMS, HOWEVER, THAT WHEN COMPANY REPRESENTATIVES RETURNED TO HAITI, THEY WERE UNABLE TO GAIN ADMISSION TO BAYARD'S OFFICE AND THAT THEY WERE TOLD THEY WERE NO LONGER WELCOME IN HAITI. CROOK DID NOT EXPLAIN WHY AT THAT POINT, TRANSLINEAR OFFICIALS DID NOT SEEK EMBASSY ASSISTANCE IN GAINING ACCESS TO BAYARD OR OTHER GOH OFFICIALS.

4. CROOK ALSO CLARIFIED DETAILS OF SECOND BRIBE ATTEMPT. HE CLAIMS BAYARD'S SON (NOT BROTHER) WHO WORKS FOR AMERICAN AIRLINES, HAD REQUESTED \$50,000 FROM WILLIAM CARDEN, TRANSLINEAR REPRESENTATIVE, TO ASSIST IN WINNING GOH CONCESSION CONTRACT. WHEN THIS WAS REJECTED, CARDEN WAS TOLD IT WAS "ALL OVER". FURTHER DETAILS, EXACT TIME AND PLACE, WERE NOT GIVEN.

5. MR. CROOK ALSO SAID THAT HE HAD INFORMATION FROM "GOOD SOURCE" THAT THE PRESIDENT'S SISTER MARIE DENISE DOMINIQUE IS ONLY WAITING FOR TRANSLINEAR TO REMOVE ITS EQUIPMENT FROM TORTUGA ISLAND TO FORM A COMPANY WITH EUROPEAN FINANCIAL BACKING TO COMPLETE THE FREEPORT PROJECT.

6. IN RESPONSE TO BAYARD'S BELIEF (REF (A) PARA 5) THAT GOH WOULD BE WILLING TO RESUME DISCUSSIONS, CROOK SAID HE WAS VERY SKEPTICAL ABOUT RENEWED TALKS, BUT MIGHT BE INTERESTED IF HE HAD "ASSURANCES THAT THE HAITIANS WOULD ACT IN GOOD FAITH." HE STATED THAT THIS WOULD BE IN THE FORM OF A TELEGRAM FROM THE GOH INVITING TRANSLINEAR TO RESUME NEGOTIATIONS. CROOK SAID THAT HE WAS ALREADY COMMITTED TO TESTIFY BEFORE JOINT ECONOMIC SUBCOMMITTEE AND HAD SENT CABLE TO PRESIDENT DUVALIER INFORMING HIM OF THIS FACT.

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7. AS TO THE KIND OF AGREEMENT TRANSLINEAR WANTED, HE SAID TRANSLINEAR WANTS TWO THINGS: (1) GOH RECOGNITION OF TRANSLINEAR'S CLEAR TITLE TO LAND UNDER ITS LEASEHOLD FROM DCI AS WELL AS UNIMPEDED ACCESS TO ITS EQUIPMENT ON THE ISLAND, AND (2) AGREEMENT TO A CONTRACT. AS TO THE LATTER, HE SAID ALMOST ANY CONTRACT WAS ACCEPTABLE WHICH GUARANTEED THE CONCEPT OF A FREEPORT, I.E. AN AREA WHICH IS FREE OF TAXES ON INDUSTRY AND TOURISM. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, DISPUTES, BUSINESS FIRMS, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE051128  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MR. STRASSER:LEE  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760080-0400  
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**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760399/aaaadjel.tel  
**Line Count:** 113  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 PORT AU PRINCE 1604, 76 PORT AU PRINCE 1626  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 JUL 2004 by coburnhl>; APPROVED <20 JUL 2004 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TRANSLINEAR DISPUTE WITH GOH  
**TAGS:** EINV, HA, TRANSLINEAR, (CROOK, WILLIAM)  
**To:** PORT AU PRINCE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006